

The Insolvency Act 1986

**2.24B****Administrator's progress report**

Name of Company  Glamalco Limited	Company number  01008072
In the High Court of Justice, Chancery Division, Bristol County Court <div style="text-align: right;">[full name of court]</div>	Court case number  2146 of 2010

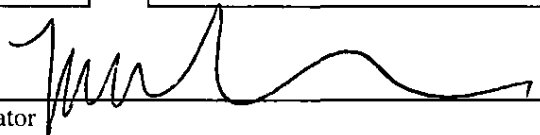
We  
Jonathan Scott Pope  
KPMG LLP  
3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX

Richard John Hill  
KPMG LLP  
100 Temple Street  
Bristol  
BS1 6AG

Administrators of the above company attach a progress report for the period

from	to
26 May 2012	25 November 2012

Signed

  
Joint Administrator

Dated

17 December 2012

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Magdalena Glanowska KPMG LLP Arlington Business Park Theale Reading RG7 4SD DX Number    DX 146800 (Theale) 2		Tel 0118 964 2026 DX Exchange
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When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

TUESDAY



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18/12/2012  
COMPANIES HOUSE

#371



**Glamalco Limited  
(in administration)**

**Progress Report**

Pursuant to Rule 2 47 of the Insolvency Act  
1986 (as amended)

KPMG LLP  
17 December 2012

reh/mag/gab26b4950

## **Notice: About this report**

- This Report has been prepared by Jonathan Scott Pope and Richard John Hill, the Joint Administrators of Glamalco Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Glamalco Limited. Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.
- Jonathan Scott Pope is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.
- Richard John Hill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.
- The Joint Administrators act as agents for Glamalco Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



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## **Glossary**

Act	The Insolvency Act 1986 (as amended)
Administration appointment	High Court of Justice, Chancery Division, Bristol District Registry, Court case number 2146 of 2010
Administrators	Jonathan Scott Pope and Richard John Hill of KPMG LLP
Bank / Secured Creditor	Lloyds Banking Group
Company/Glamalco	Glamalco Limited
Craigdam	Craigdam Services Limited
Directors	Kieran Joseph O'Connor and Alan Royston Quartly

The references in this Report to Sections, Paragraphs or Rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 (all as amended).

## 1 Introduction

Creditors have previously been advised that Jonathan Scott Pope and Richard John Hill of KPMG LLP were appointed as Administrators of the Company by the Company's directors on 26 November 2010

This report has been prepared in accordance with Rule 2 47, covering the period from 26 May 2012 to 25 November 2012 Statutory information as required under Rule 2 47 is attached as Appendix 1 An abstract of the Administrators' receipts and payments account and schedule of expenses for the period to 25 November 2012 are attached at Appendix 2 and 4 respectively The figures on the account are shown net of VAT

### 1.1 Purpose of the administration

In accordance with Paragraph 3(1) the Administrators have the following hierarchy of objectives -

- a) rescuing the Company as a going concern,
- b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up, and
- c) realising property in order to make a distribution to one or more secured or preferential creditors

The Administrators concluded that objective a) was not possible because there was no funding available to continue trading the Company Therefore, objective b) was the most viable, with the planned exit route from the administration, being the dissolution of the Company

As previously advised it was not possible to complete the administration prior to the automatic end of the administration Therefore, following an application by the Administrators, the Court extended the period of the administration by two years until 25 November 2013

## 2 Progress of the administration

### 2.1 Asset realisations

#### 2 1 1 Debtors

In the period covered by this report, the Administrators' agents, Craigdam, have realised £5,367 which brings total realisations to date to £639,419 and a further £60,791 has been received since the end of this reporting period

Further recoveries from debtors may be affected by counter-claims and delays until all completion costs are fully determined Therefore, there is still a degree of uncertainty about the validity and value of counter-claims from debtors in respect of the cost of rectifying defects Realisations are not expected to be completed until mid 2013

## 2.1 2 Other realisations

Sundry refunds totalling £411 have been received during this period

## 3 Costs of realisation

Payments made in this period are set out in the attached receipts and payments account (see Appendix 2) The figures in this account are shown net of VAT

The schedule of expenses attached as Appendix 4 details the costs incurred, whether paid or unpaid, relating specifically to this reporting period only The figures in this schedule are also shown net of VAT

Under Rule 2.48A, creditors are advised that, within 21 days of receipt of this report, a creditor may request additional information about the Administrators' remuneration and expenses as set out in this report A request must be in writing, and may be made either by a Secured creditor or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the Court

In addition, under Rule 2 109, any Secured creditor or any unsecured creditor with either the concurrence of at least 10% in value of creditors, or with the permission of the Court, may apply to the Court to challenge the remuneration charged, the basis of remuneration or the expenses incurred by the Administrators Any such application must be made no later than eight weeks after receipt of the first report which reports the charging of the remuneration or the incurring of expenses in question

The full text of Rules 2.48A and 2 109 can be provided on request by writing to the Administrators at KPMG LLP, Arlington Business Park, Theale, Reading RG7 4SD

### 3.1 Administrators' remuneration

The statutory provisions relating to remuneration are set out in Rule 2 106 Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which can be obtained at [http://www.r3.org.uk/media/documents/technical\\_library/SIPS/SIP%209%20E&W.pdf](http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&W.pdf)

However, if you are unable to access this guide and would like a copy please contact Magdalena Glanowska on 0118 964 2026

The Association of Business Recovery Professional's Statement of Insolvency Practitioners No 9 requires the Administrators to provide a full detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out Therefore, attached as Appendix 3 is a detailed analysis of time spent and charge out rates for each grade of staff, for work carried out from 26 May 2012 to 25 November 2012

In the period to 25 November 2012, the Administrators have incurred time costs of £18,748 representing 82 hours at an average hourly rate of £230. This includes work undertaken in respect of VAT advice from KPMG LLP in-house specialists. This brings total time spent to date to 1,353 hours at a cost of £347,365.

Under Rule 2.106, as the Administrators have made a statement under Paragraph 52(1)(b), it is for the Secured Creditor and preferential creditors to fix the basis of the Administrators' remuneration, which has been fixed by reference to time properly given by the Administrators and their staff in dealing with matters arising in the administration. With the consent of the Secured creditor and preferential creditors, the Administrators have drawn fees of £193,000 plus VAT to date and a further fee will be drawn in due course.

### **3.2 Agents' fees**

As shown in Appendix 4, fees and disbursements totalling £20,868 have been incurred by Craigmad, relating to this reporting period. However, these have not yet been paid.

### **3.3 Other costs**

Costs incurred in respect of other realisations costs are listed in the attached receipts and payments account attached as Appendix 2.

## **4 Estimated outcome to creditors**

### **4.1 Secured creditor**

As previously advised, at the date of the Administrators' appointment, the Bank was owed £2.1 million. The Bank holds fixed and floating charges over all of the Company's assets.

To date, the Administrators have distributed £200,000 to the Bank. A further distribution is expected to be made to the Bank, but it will suffer shortfall under its fixed and floating charges.

### **4.2 Preferential creditors**

Claims in respect of certain wages and holiday pay rank preferentially. The Administrators agreed preferential claims against the Company of £173,137 and paid the first and final dividend to the preferential creditors of 100p in the £ on 14 December 2011.

### **4.3 Unsecured creditors and the prescribed part**

As previously advised, the Directors estimated that the total outstanding balance due to unsecured creditors is £6,328,825.



There are sufficient funds to enable a distribution to unsecured creditors by virtue of the Prescribed Part only. The Prescribed Part provisions of Section 176A entitle unsecured creditors to a percentage share of realisations from net floating charge assets, after costs of realisation. The percentage is calculated on a sliding scale up to a maximum amount of £600,000, subject to costs.

In accordance with Paragraph 65(3) the Administrators will shortly be applying for a Court order to make a distribution to unsecured creditors. Based on current estimates, the dividend is likely to be in the region of 1p in the £ and is likely to be paid in the third quarter of 2013 following completion of book debt collection (see section 2.1.1). Please note that the costs directly associated with agreeing unsecured claims and paying a dividend to unsecured creditors will be deducted from the Prescribed Part.

## 5 Future strategy

### 5.1 Ongoing matters

It is proposed that the Administrators will continue to manage the affairs, business and assets of the Company in order to achieve the purpose of the administration. This will include

- Book debt, uninvoiced work and retentions collection,
- Payment of any outstanding administration expenses, including Administrators' remuneration,
- Making distribution(s) to the Secured Creditor,
- Agreement and distribution to unsecured creditors under the Prescribed Part (subject to Court approval), and
- The completion of final corporation tax and VAT returns and settlement of any liabilities.

It is currently expected that the above matters will be completed by 25 November 2013. However, if this is not possible the Administrators would seek a further extension to the period of administration from the Court.

### 5.2 Future reporting

In accordance with Rule 2.47, the Administrators will provide a further progress report within one month of 26 May 2013.



Jonathan Scott Pope  
Joint Administrator

## Appendix 1

### Statutory information

Company name and Trading style	Glamalco Limited
Administration appointment	High Court of Justice, Chancery Division, Companies Court No 2146 of 2010
Date of appointment	26 November 2010
Present Administrators' details	Jonathan Scott Pope is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association  Richard John Hill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations
Company Directors	Kieran Joseph O'Connor Alan Royston Quartly
Company Secretary	Kieran Joseph O'Connor
Date of incorporation	15 April 1971
Company registration number	01008072
Previous registered office	Ipswich Road, Newport Road Industrial Estate, Cardiff CF23 9UR
Present registered office	KPMG LLP, Arlington Business Park, Theale, Reading RG7 4SD



Trading addresses	<p>Ipswich Road, Cardiff CF23 9UR 7 North Way, Walworth Industrial Estate, Andover, Hampshire SP10 5AZ</p> <p>Unit 45, Manor Side Industrial Estate, Walkers Road, North Moons Moat, Redditch B98 9HD (Glamalco traded from this site from 8 November 2010 to 24 November 2010 only)</p>
Trading names	<p>Glamalco</p> <p>Glamorgan Aluminium</p> <p>Arcadia</p> <p>Framesafe</p>
Authorised share capital	292,900 ordinary B shares of £0.02 each, 10,150 ordinary A shares of £0.01 each
Issued share capital	£10,000
Shareholders	Glamorgan Aluminium Co Limited (dissolved)



Glamalco Limited (in administration)  
*Progress Report*  
KPMG LLP  
17 December 2012

## **Appendix 2**

**Administrators' receipts and payments account for the period  
from 26 May 2012 to 25 November 2012**

**Glamalco Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 26/05/2012 To 25/11/2012	From 26/11/2010 To 25/11/2012
	<b>FIXED CHARGE ASSETS</b>		
700,000 00	Freehold property	NIL	NIL
		NIL	NIL
	<b>FIXED CHARGE CREDITORS</b>		
(695,731 00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
50,000 00	Plant & machinery / chattel assets	NIL	182,264 00
	Furniture & equipment	NIL	900 00
50,000 00	Stock	NIL	128,064 96
1,700,000 00	Book debts	5,367 31	639,419 40
	Insurance refund	NIL	83 39
		5,367 31	950,731 75
	<b>OTHER REALISATIONS</b>		
	Sundry refunds	410 73	3,794 33
	Rates refund	NIL	5,950 59
		410 73	9,744 92
	<b>COST OF REALISATIONS</b>		
	Administrators' fees	NIL	193,000 00
	Agents'/Valuers' fees (Go Industry)	NIL	37,342 75
	Agents'/Valuers' fees (Craigdam)	NIL	102,789 66
	Legal fees (Bond Pearce)	NIL	7,539 80
	Agents' disbursements (Craigdam)	NIL	35,051 43
	Corporation tax/CIS	NIL	250 00
	Hire / Rental Costs	NIL	260 00
	Sub Contractor	NIL	193 27
	Telephone/Telex/Fax	NIL	1,205 39
	Water rates	NIL	258 61
	Heat & light	NIL	4,647 88
	Storage costs	162 83	814 89
	Re-direction of mail	NIL	189 31
	Statutory advertising	NIL	75 60
	Rates	NIL	1,466 79
	Insurance of assets	NIL	4,087 33
	Wages & salaries	NIL	27,174 54
	Employee expenses	NIL	357 16
	Bank charges	57 53	541 68
	Unclaimed dividends	NIL	(34 93)
	Lease creditors (Bank of Scotland)	NIL	388 52
		(220 36)	(417,599 68)
	<b>PREFERENTIAL CREDITORS</b>		
	PAYE income tax etc	NIL	11,768 07
	Subrogated EP(C)A claim	NIL	129,659 25
(170,708 00)	Employees' wage arrears	(34 93)	31,710 06
		34 93	(173,137 38)
	<b>FLOATING CHARGE CREDITORS</b>		
(1,261,042 00)	Floating charge	NIL	200,000 00

**Glamalco Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 26/05/2012 To 25/11/2012	From 26/11/2010 To 25/11/2012
		NIL	(200,000 00)
	UNSECURED CREDITORS		
(4,849,693 00)	Trade & expense	NIL	NIL
(834,936 00)	Corp tax etc/nonpref PAYE	NIL	NIL
(642,212 00)	Non-preferential VAT	NIL	NIL
(1,984 00)	Other creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(10,000 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
<b>(5,966,306.00)</b>		<b>5,592.61</b>	<b>169,739.61</b>
	REPRESENTED BY		
	Floating ch VAT rec'able		82,249 50
	Floating charge current		169,728 56
	Floating ch VAT payable		(171,791 36)
	Floating ch VAT control		89,552 91
			<b>169,739 61</b>

## Appendix 3

### Analysis of Administrators' time costs and schedule of rates of charging

	26 Nov 2010 to 30 Sep 2012	1 Oct 2012 to Present
Partner/director	£460 - £535	£485 - £565
Management	£345 - £425	£365 - £450
Administrators	£175 - £240	£185 - £250
Support	£110	£115

#### KPMG Restructuring policy for the recovery of disbursements

Where funds permit the officeholder will look to recover both category 1 and category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows

**Category 1 disbursements** These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

**Category 2 disbursements** These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Any disbursements paid from the estate are disclosed within the attached summary of disbursements.

Category 2 disbursements that KPMG Restructuring currently charges includes mileage, this is calculated as follows:

Mileage claims fall into three categories

Use of privately-owned vehicle or car cash alternative – 40p per mile

Use of company car – 60p per mile

Use of partner's car – 60p per mile

For all of the above car types, when carrying passengers an additional 5p per mile per passenger will also be charged where appropriate.



## Glamalco Limited (in administration)

Time costs analysis from 26 May 2012 to 25 November 2012

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
<b>Administration &amp; planning</b>							
<b>Cashiering</b>							
Fund management			0 60		0 60	£105 00	£175 00
General (Cashiering)			7 60	0 90	8 50	£1,511 50	£177 82
Reconciliations (& IPS accounting reviews)			3 10	1 00	4 10	£677 00	£165 12
<b>General</b>							
Books and records		0 10	8 45		8 55	£1,538 75	£179 97
<b>Statutory and compliance</b>							
Checklist & reviews			1 70		1 70	£302 50	£177 94
Reports to debenture holders	3 00		0 60		3 60	£1,516 00	£421 11
Strategy documents		0 90	1 70		2 60	£623 50	£239 81
<b>Tax</b>							
Post appointment corporation tax		0 10			0 10	£34 50	£345 00
Post appointment VAT		3 40	13 65		17 05	£3,799 75	£222 86
<b>Creditors</b>							
<b>Creditors and claims</b>							
Agreement of unsecured claims			4 50		4 50	£1,080 00	£240 00
General correspondence		2 30	3 85		6 15	£1,483 25	£241 18
Secured creditors		2 70			2 70	£985 50	£365 00
Statutory reports	1 50	4 10	7 90		13 50	£3,528 50	£261 37
<b>Employees</b>							
Agreeing employee claims			0 50		0 50	£87 50	£175 00
Correspondence			0 10		0 10	£24 00	£240 00
<b>Realisation of assets</b>							
Debtors		0 30	3 80		4 10	£806 00	£196 59
Open cover insurance		0 40	2 65		3 05	£607 75	£199 26
Other assets		0 10			0 10	£36 50	£365 00
<b>Total in period</b>					<b>81 50</b>	<b>£18,747 50</b>	<b>£230 03</b>
Brought forward time (26 November 2010 to 25 May 2012)					1,271 39	£328,617 15	
Time for the period 26 May 2012 to 25 November 2012					81 50	£18,747 50	
<b>Total time costs</b>					<b>1,352 89</b>	<b>£347,364 65</b>	

All staff who have worked on this assignment including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of chargeout rates.

### Summary of disbursements.

	£
Brought forward	2,583 13
Printing costs	134 10
<b>Total</b>	<b>2,717.23</b>



## Appendix 4

### Schedule of expenses

<b>Glamalco Limited</b>	<b>Paid £</b>	<b>Accrued £</b>	<b>Total for period £</b>
<b>Costs of realisation</b>			
Book debt collection costs	-	20,868	20,868
Administrators' remuneration	-	18,748	18,748
Sundry expenses	221	134	355
<b>Total</b>	<b>221</b>	<b>39,750</b>	<b>39,971</b>

Creditors are reminded that the basis upon which the Administrators' remuneration has been reported has been agreed. The quantum is supported by an analysis of time costs available for review at Appendix 3. Any additional information regarding remuneration or expenses charged for the period is available from the Administrators upon request by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2.48A. This request must be made within 21 days of receipt of the report. In addition creditors are reminded that the quantum can be challenged by any secured creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court in accordance with Rule 2.109 within eight weeks of receipt of this report. The full text of these Rules can be provided upon request. As the Company is VAT registered all VAT charged on expenses is recoverable, therefore no VAT has been included in the above figures.

\* Delete as  
appropriate

<b>RECEIPTS</b>		£
Brought forward from previous Abstract (if Any)		1,138,566 88
Book debts		5,367 31
Sundry refunds		410 73
Employees' wage arrears		34 93
Floating ch VAT payable		1,073 47
Floating ch VAT control		41,062 06
Carried forward to * continuation sheet / next abstract		1,186,515 38
<b>PAYMENTS</b>		£
Brought forward from previous Abstract (if Any)		1,016,533 89
Storage costs		162 83
Bank charges		57 53
Floating ch VAT rec'able		32 57
Carried forward to * continuation sheet / next abstract		1,016,786 82

\* Delete as  
appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed